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Telecommunications
Resellers
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February 10, 1997

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FEB 10 1998

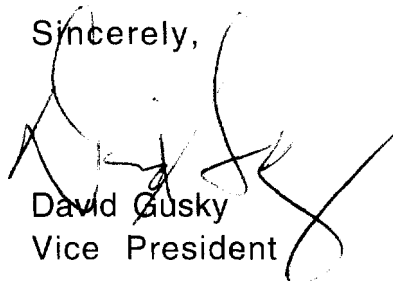
Federal Communications Commission
Office of Secretary

Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Secretary Salas:

The attached letter and copy of TRA's *1997 Year End Survey of Wireless Resellers* was hand delivered today to Chairman Kennard and Commissioners Ness, Furchtgott-Roth, Powell and Tristani. A copy of the letter to Chairman Kennard and the aforementioned survey also was hand delivered today to Wireless Telecommunications Bureau chief Dan Phythyon and WTB staff members Steve Weingarten, John Cimko, Nancy Boocker, and Jane Phillips. The letter to Chairman Kennard and a copy of the aforementioned survey should be made a matter of record in the following proceedings: the Reconsideration Petition filed by the National Wireless Resellers Association in Docket No. 94-54, Interconnection and Resale Obligations of Commercial Mobile Radio Service Providers, and the Petition for Forbearance filed by the Personal Communications Industry Association (DA 97-1155). In accordance with the Commission's rules, three copies of this letter are enclosed for each proceeding.

Sincerely,



David Gusky
Vice President

Enclosures

No. of Copies rec'd
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Ernest B. Kelly, III, *President*

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The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Federal Communications Commission
Office of Secretary

Dear Mr. Chairman:

The Telecommunications Resellers Association has just completed the **1997 Year End Survey of Wireless Resellers**,¹ which produced a wealth of valuable data on the wireless resale industry. Unfortunately, the survey also confirms what TRA has been hearing from members across the nation: despite the Commission's mandatory resale rules, PCS and SMR carriers have erected a "resale blockade" around these new wireless markets.

The survey results show that nearly 90% of respondents who have sought to resell PCS have been denied the opportunity to do so. The percentage climbs to a remarkable 100% -- a complete shutout -- for respondents who would like to resell SMR services.

The "resale blockade" in PCS and SMR services has harmed countless small businesses and prevented consumers from enjoying the price competition and innovation such companies inevitably bring to the marketplace. We hope the Commission acts decisively, and soon, to dismantle this competitive barrier.

The first step is to send a strong signal to the wireless industry of the importance the Commission places on resale as a means of entry for small business and a safeguard for consumers. As we have stated before, the Commission can accomplish this by overturning on reconsideration the decision to "sunset" in approximately five years its wireless resale rules (Docket No. 94-54) and by forcefully denying the petition filed by the Personal Communications Industry Association to

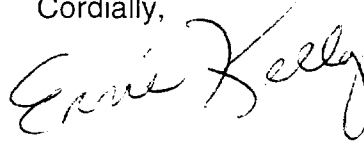
¹ The survey was conducted by TRA during January and February, 1998. Survey questionnaires were mailed to all wireless resellers TRA has identified in the U.S. 44% of those polled returned the questionnaire for tabulation.

immediately exempt PCS carriers from mandatory resale (DA 97-1155). Both of these issues, in our opinion, are contributing directly to the reluctance of new wireless carriers to offer resale products.

Thank you for your time and attention to this extremely important issue.

With best wishes,

Cordially,

A handwritten signature in cursive script, reading "Ernie Kelly". The signature is written in dark ink and is positioned below the word "Cordially,".

Enclosure: TRA's 1997 Year End Survey of Wireless Resellers

cc: Dan Phythyon, Chief, Wireless Telecommunications Bureau
Steve Weingarten
John Cimko
Nancy Boocker
Jane Phillips
Magalie Roman Salas, Secretary

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Federal Communications Commission
Office of Secretary

TRA

**1997 Year End Survey
of
Wireless Resellers**

**Telecommunications Resellers Association
1730 K Street, N.W., Suite 1201
Washington, D.C.
202.835.9898 (f) 202.835.9893**

Introduction

The Telecommunications Resellers Association's 1997 Year End Survey of Wireless Resellers was performed in January and February of 1998. Questionnaires were mailed to all wireless resellers TRA has identified in the United States. Of those polled, 44% completed and returned the questionnaire to TRA headquarters for tabulation. A copy of the survey questionnaire is included with this document.

Founded in 1992, TRA is the Washington, D.C.-based national organization for resellers of telecommunications services, representing over 650 companies involved in the resale of domestic and international long distance, local, wireless and enhanced telecommunications services. TRA was created and carries a continuing mandate to foster and promote telecommunications resale, to support the telecommunications industry, and to protect and further the interests of entities engaged in the resale of telecommunications services.

If you have any questions or would like additional information regarding the attached survey or TRA, please contact David Gusky at 202.835.9898. ext. 3006.

TRA's 1997 YEAR END SURVEY OF WIRELESS RESELLERS

Summary of Results

(Except as otherwise indicated, the percentage of respondents falling into each category under a particular question includes only those respondents who answered that question.)

1. Years in Business:	Average of Responses:	<u>6.5 years</u>
	Less than 5 Years:	51.4%
	5 - 10 Years:	32.4%
	Over 10 Years:	16.2%
2. Number of Employees:	Average of Responses:	<u>77 employees</u>
	Less than 50:	54.0%
	50 to 100:	18.9%
	101 to 200:	16.2%
	Over 200:	10.8%
3. 6-Month Revenues (July 1, 1997 to December 31, 1997):	Average of Responses:	<u>\$7,379,898</u>
	Less than \$2 million:	35.7%
	\$2 million to \$5 million:	32.1%
	\$6 million to \$20 million:	17.9%
	Over \$20 million:	14.3%
4. Number of Subscribers (as of December 31, 1997):	Average of Responses:	<u>23,000 subs.</u>
	Less than 5,000:	29.4%
	5,000 to 10,000:	23.5%
	11,000 to 25,000:	17.6%
	26,000 to 50,000:	14.7%
	Over 50,000:	14.7%
4a. Average Subscriber Growth Between July 1, 1997 and December 31, 1997:	Among companies reporting and in business more than 1 year:	12.5%
5. Services Offered by Company:	Cellular:	100.0%
	PCS:	26.3%

Paging:	76.3%
Long Distance:	57.9%
Local:	23.7%
SMR (specialized mobile radio):	18.4%

6. Company has cellular resale agreements with the following carriers:

Carriers Identified Most Often:

AirTouch	45.9%
AT&T Wireless	40.5%
BellSouth Mobility	32.4%
Ameritech	21.6%
GTE	16.2%

7. Is company reselling PCS?	Yes	10.5%
	No	89.5%

8. Company has PCS resale agreements with the following carriers:

Carrier(s) With Highest % of Responses:

Pacific Bell	50.0%
(no other carrier had significant percentage)	

9. If company is not reselling PCS, please explain why. (The following percentages include only those companies which are not reselling PCS. The total of these percentages exceeds 100% since some companies cited more than one reason.)

Company is not interested in reselling PCS at this time:	11.8%
PCS carrier said it did not offer a resale agreement:	79.4%
PCS carrier would not provide billing tape:	26.5%
PCS carrier ignored requests for resale agreement:	2.9%
PCS resale rates unreasonable:	2.9%
PCS carrier claims system not ready:	2.9%

10. Is company reselling SMR services?	Yes	00.0%
	No	100.0%

11. Company has SMR reselling agreements with the following carriers:
(No carriers were listed. See question #10.)

12. If company is not reselling SMR services, please explain why. (The total of the following percentages exceeds 100% because some companies listed more than one reason.)

Company is not interested in reselling SMR services at present:	47.4%
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SMR carrier said it did not offer a resale agreement:	47.4%
---	-------

SMR carrier would not provide billing tape:	13.2%
---	-------

SMR carrier still preparing resale agreement:	2.6%
---	------

13. Average monthly retail cellular/PCS retail bill:

Average of Responses:	<u>\$58.74</u>
Less than \$40:	12.1%
\$41 to \$50:	27.3%
\$51 to \$60:	27.3%
\$61 to \$80:	18.2%
Over \$80:	15.2%

14. Average minutes of use per subscriber, per month:

Average of Responses:	<u>114 MOUs</u>
51 to 75:	23.5%
76 to 100:	26.5%
101 to 125:	17.6%
126 to 150:	11.8%
Over 150:	20.6%

15. Average wholesale/retail margin:	Average of Responses:	<u>27.0%</u>
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Less than 20%:	33.3%
21% to 25%:	12.1%
26% to 30%:	18.2%
31% to 35%:	15.2%
36% to 40%:	12.1%
Over 40%:	9.1%

16. Average per subscriber acquisition cost:

Average of Responses:	<u>\$188</u>
Less than \$101:	32.3%
\$101 to \$200:	29.0%
\$201 to \$300:	25.8%
Over \$300:	12.9%

17. Percentage of company's new subscribers who are first-time wireless users:

Average of Responses:	<u>40.0%</u>
Less than 21%:	31.0%
21% to 40%:	34.5%
41% to 60%:	10.3%
Over 60%:	24.1%

18. How do company's average cellular/PCS retail rates compare to retail rates offered by company's underlying carrier(s):

More than 10% lower:	21.0%
Between 5% and 10% lower:	34.2%
About the same:	28.9%
Between 5% and 10% higher:	10.5%
More than 10% higher:	5.3%

19. Does company serve any of the following niche markets?

Small business:	68.4%
Credit challenged:	42.1%
Colleges and universities:	10.5%
Government agencies:	13.2%
Minority:	13.2%
Other:	15.8%

20. Does company offer innovative services not offered by its underlying carrier(s)?

Yes	55.3%
No	44.7%

Some services identified:

Convergent billing

Bundled services

Prepaid service

Off-the-shelf retail products

Unique minutes-of-service price plans

Rental phones

Toll-free long distance

TRA'S 1997 YEAR-END SURVEY OF WIRELESS RESELLERS

The Telecommunications Resellers Association's biannual survey of wireless resellers produces an accurate measure of the current state of the wireless resale industry and a history of the industry's development. **Please complete and fax the survey, without cover page, to TRA at 202.835.9893 by Friday, January 23.** Call David Gusky at 202.835.9898, x3006 if you have questions or need more information. Thank you.

1. Years In Business: _____ 2. Number of Employees: _____
3. 6-Month Revenue (7/1/97 - 12/31/97): \$ _____
4. Number of Subscribers: (12/31/97) _____ (6/30/97) _____
5. Services Offered: ☐ Cellular ☐ PCS ☐ Paging ☐ Long Distance ☐ Local Exchange ☐ SMR
.....
6. Company has **cellular** resale agreement(s) with the following carrier(s):
1 _____ 2 _____ 3 _____ 4 _____ 5 _____
7. Is Company reselling **PCS**? ☐ Yes ☐ No
8. If you said "yes" to #7, list the **PCS** carrier(s) you have a **resale** agreement with: (do not list carriers with which you have an **agent** contract):
1 _____ 2 _____ 3 _____ 4 _____ 5 _____
9. If Company is **not** reselling **PCS**, please explain why?
☐ Company is not interested in reselling PCS at this time
☐ PCS carrier said it did not offer a resale agreement
☐ PCS carrier would not provide billing tape
☐ Other (please elaborate) _____
10. Is Company reselling **SMR** (specialized mobile radio) services? ☐ Yes ☐ No
11. If you said "yes" to #10, list the **SMR** carrier(s) you have a **resale** agreement with: (do not list carriers with which you have an **agent** contract):
1 _____ 2 _____ 3 _____ 4 _____ 5 _____
12. If Company is **not** reselling **SMR** services, please explain why?
☐ Company is not interested in reselling SMR services at this time
☐ SMR carrier said it did not offer a resale agreement
☐ SMR carrier would not provide billing tape
☐ Other (please elaborate) _____
.....
13. Avg. monthly retail cellular/PCS bill: \$ _____
14. Avg. mins. of use per sub., per month: _____
15. Average wholesale/retail margin: _____%
16. Avg. per subscriber acquisition cost: \$ _____
17. Percentage of Company's new subscribers who are first-time wireless users: _____%
.....
18. How do Company's avg. cellular/PCS retail rates compare to retail rates offered by Company's underlying carrier(s):
☐ Between 5% and 10% below ☐ About the same ☐ Between 5% and 10% above
☐ More than 10% below ☐ More than 10% above
19. Does Company serve any of the following niche markets?
☐ Small Business ☐ Government Agencies
☐ Credit Challenged ☐ Minority
☐ Colleges & Universities ☐ Other _____
20. Does Company offer innovative services not offered by its underlying carrier(s)?
☐ Yes ☐ No If yes, please list _____